

TOP SECRET SENSITIVE EXCLUSIVE EYES ONLY CONTAINS CODE
WORD

TOHAK12

ON-FILE NSC RELEASE INSTRUCTIONS
APPLY

PASS TO ADAMS/BREMER FOR THE SECRETARY

O 101538Z OCT 74

OSD Review Completed

OCTOBER 10, 1974

TO: HENRY A. KISSINGER

FROM: BRENT SCOWCROFT

THE BREAKFAST WITH SCHLESINGER WAS SURPRISINGLY UNEVENTFUL. DISCUSSION OPENED ON CONGRESSIONAL POLITICS. SCHLESINGER MADE A GREAT SHOW OF HIS CLOSE CONTACTS ON THE HILL, FAMILIARITY WITH DIFFERENT CONGRESSIONAL RACES, AND HIS DISCUSSIONS WITH THE AFL/CIO IN SUPPORT OF "GOOD CANDIDATES." IT SEEMED TO ME PATENTLY AN EFFORT TO DEMONSTRATE TO THE PRESIDENT THAT HE OPERATED VERY EFFECTIVELY ON THE HILL.

DISCUSSION THEN TURNED TO MATTER OF BASE CLOSINGS. SCHLESINGER MENTIONED SEVERAL TOUGH ONES HE HOPES TO CLOSE AFTER THE ELECTIONS, SUCH AS FRANKFURT ARSENAL IN PHILADELPHIA, FORT DIX AND FORT MONROE. THE PRESIDENT GENERALLY CONCURRED IN THE REQUIREMENT FOR BASE CLOSINGS, AS LONG AS IT WAS NOT SIMPLY A MANEUVER TO PUNISH SOME PEOPLE AND HELP OTHERS OUT BY SHIFTING BASES RATHER THAN CLOSING THEM.

THE PRESIDENT THEN RAISED THE MATTER OF INCREASING TANK PRODUCTION. SCHLESINGER SAID HE HOPED TO GO TO 1200 A YEAR BUT THAT THE REAL PROBLEM WAS THAT THERE WAS NO EXCESS FOUNDRY CAPACITY LEFT, DUE TO ENVIRONMENTAL RESTRICTIONS. THE PRESIDENT URGED INCREASED PRODUCTION.

THE PRESIDENT ASKED SCHLESINGER WHERE HE WOULD TAKE A \$1 BILLION CUT IN OUTLAYS IF HE HAD TO SWALLOW ONE. HIS ANSWER WAS THAT HE WOULD CUT CIVIL SERVICE, BUT THAT THE ONLY WAY TO GET QUICK EFFECT WOULD BE TO CUT O&M COSTS. IN THAT CASE HE WOULD PERHAPS HAVE TO CUT OVERSEAS DEPLOYMENT, IN THE MEDITERRANEAN, FOR EXAMPLE. THE PRESIDENT POINTED OUT THAT A CUT WOULD GIVE HIM A GOOD EXCUSE TO CLOSE OBSOLETE BASE FACILITIES, BUT JIM RESPONDED THAT HE REALLY NEEDED NO EXCUSE. HE THEN WENT ON TO POINT OUT THAT DEFENSE SPENDING WAS STILL DECLINING AS A PERCENTAGE OF GNP AND THAT IT COULD NOT CONTINUE TO DO SO IF WE IN FACT WISHED TO REMAIN "SECOND TO NONE". HE SAID THAT INFLATION HAS COST DEFENSE \$9 BILLION AND THAT WE ARE NOW FACING INCREASED PROCUREMENT COSTS FROM PROGRAMS INITIATED IN PRIOR YEARS.

THE PRESIDENT ASKED IF DEFENSE COULD NOT HELP IN GETTING CONGRESSIONAL APPROVAL FOR PRODUCTION FROM PETROLEUM RESERVES. SCHLESINGER DISCUSSED THE MATTER WITH A VERY LEARNED AIR BUT THE OUTCOME OF THE DISCUSSION WAS INCONCLUSIVE.

JIM MENTIONED THAT UNITED COMMAND PLAN WAS BEING REVISED AND WOULD BE. No Objection to Declassification in Full 2010/04/27 : LOC-HAK-550-1-63-0
SUCH THINGS AS CLOSING THE SOUTHERN COMMAND HEADQUARTERS, WHICH HE SAID WOULD BE GIVEN TO BUNKER AS A "GOODIE" FOR HIS NEGOTIATIONS WITH PANAMA, AND THE ALASKAN COMMAND HEADQUARTERS.

THE PRESIDENT ASKED WHO SCHLESINGER WANTED AS ARMY VICE CHIEF. JIM RESPONDED THAT KIRWIN HAS BEEN NOMINATED BUT HE THOUGHT HIM MAYBE A LITTLE OLD. HE WANTED THE ARMY TO GET SOME YOUTH INTO ITS THREE AND FOUR STAR RANKS.

DISCUSSION THEN TURNED BRIEFLY TO VIETNAM. SCHLESINGER SAID HE THOUGHT WE WOULD NEED TWO TO THREE HUNDRED MILLION DOLLARS MORE IN MILITARY AID AND HE SAID MCFALL HAD TOLD HIM HE THOUGHT HE COULD GET IT THROUGH THE HOUSE.

THE PRESIDENT SAID HE WAS WORRIED ABOUT PORTUGAL (THIS OBVIOUSLY STIMULATED BY YOUR REPORT OF YOUR CORTINA TALK). JIM SAID HE HAD TALKED TO YOU ABOUT THE SUBJECT AND HAD RAISED THE POSSIBILITY OF TAKING THE AZORES "IN TRUST" IF PORTUGAL WENT COMMUNIST. THE PRESIDENT OBSERVED THAT SUCH A MOVE WOULD RAISE ENORMOUS FUROR IN THE UN. SCHLESINGER DID NOT THINK SO, COMMENTING THAT THE LITTLE COUNTRIES CRITICIZED US ONLY WHEN THEY THINK THEY CAN GET AWAY WITH IT. IF WE ACT TOUGH, HE THOUGHT THAT THEY WOULD NOT BE TOO MUCH TROUBLE.

THE PRESIDENT THEN SAID HE HAD TO LEAVE UNLESS JIM HAD ANYTHING ELSE TO RAISE. SCHLESINGER RESPONDED THAT HE HAD BROUGHT A BOOK WITH HIM TO DISCUSS SALT. THE BOOK WAS ON MISSILE CHARACTERISTICS AND SCHLESINGER SAID HIS OBJECTIVE WAS TO POINT OUT THAT MIRV'S WERE NOT HOMOGENOUS ENTITIES, THAT THERE WAS A SUBSTANTIAL DIFFERENCE BETWEEN A MIRVED SS-9 AND A MIRVED SS-18, FOR EXAMPLE. THE PRESIDENT SUGGESTED DEFERRING A SALTSION UNTIL FRIDAY, OCTOBER 18.

THE LAST SUBJECT RAISED WAS PERSONNEL. JIM MENTIONED THAT HE HAD SOME WEAK PEOPLE, AND SINGLED OUT MIDDENDORF. HE ALSO SAID MCLUCAS WAS MARGINAL BUT THAT CALLAWAY WAS VERY GOOD. HE SAID HE WOULD LIKE TO MOVE GOVERNOR DAVIS OUT OF THE CIVIL DEFENSE POST. THE PRESIDENT MENTIONED THAT CIVIL DEFENSE HAD CHANGED CHARACTER AND HAD MOVED MORE IN THE DIRECT ON OF DISASTER RELIEF. JIM RESPONDED THAT HE WAS HAVING PLANNING DONE ON EVACUATION AND THAT THE SOVIET UNION HAD A VERY FORMIDABLE CAPABILITY IN CIVIL DEFENSE, AS DID THE CHINESE.

SCHLESINGER THEN ASKED FOR FIVE MINUTES ALONE WITH THE PRESIDENT. HE TOLD ME AFTERWARDS THAT IT WAS TO DISCUSS A SENSITIVE PERSONNEL ISSUE.

WARM REGARDS.